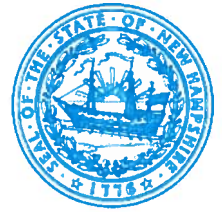




The State of New Hampshire
Department of Environmental Services



Clark B. Freise, Assistant Commissioner

February 1, 2017

The Honorable Norman Major
Chair, House Ways and Means Committee
Legislative Office Building, Room 202
Concord, NH 03301

Re: House Bill 621-FN-A-LOCAL – An Act establishing a road usage fee and making an appropriation therefor.

Dear Chair Major and Members of the Committee:

Thank you for the opportunity to comment on behalf of the New Hampshire Department of Environmental Services (NHDES) regarding House Bill 621. This bill assesses a fee on vehicles based on their fuel economy. The New Hampshire Department of Environmental Services (NHDES) agrees that all users of the highway system should contribute toward the cost of maintaining the system, but wishes to highlight issues that may arise with the registration of vehicles as proposed by HB 621 due to a potential lack of fuel economy data in the federal data base, or changing data.

New model year vehicles typically are on the market several months before the new year, so a model year 2017 vehicle may have been purchased in September 2016. The Environmental Protection Agency's (EPA) fuel economy database often has gaps in the data well into the end of December for the coming model year vehicles. Thus the necessary data may not be available at all times.

Additionally, the EPA sometimes removes data or revises data via an announcement of the change on the data download web page, but the corresponding database is not revised to include the new information. An example is provided in the attached copy of the EPA webpage taken this week. It indicates that all data for various Fiat and Volkswagen vehicles have been removed due to alleged violations. It shows revised estimates for five manufacturer's vehicles for multiple model years, and notes that "estimates for all 1984 to 2007 model year vehicles and some 2011-2016 model year vehicles have been revised." However, this page also clearly states that the information contained in the downloadable datasets, which would presumably be utilized by the Division of Motor Vehicles to assess this fee, "reflect the original estimates shown on the EPA fuel economy label."

A final issue is with regard to how a vehicle's "miles per gallon" or fuel economy rating is defined. The EPA records six fuel economy ratings: unadjusted city, highway, and combined; and adjusted city, highway, and combined. These six ratings may vary for a single vehicle by 50

percent or more. HB 621 does not specify which of these ratings is to be used in assessing the fee.

The intent of this legislation is to address declining road toll revenues resulting from the declining usage of fuels that are subject to the road toll. The decrease in fuel usage is primarily related to two factors: federal fuel economy standards that are increasing the fuel efficiency of the vehicle fleet through changes in vehicle technologies, and changing demographics whereby both aging Baby Boomers and younger generations are driving less.

Motor vehicles are the primary source of oxides of nitrogen and volatile organic compounds in the state. These pollutants react in the presence of sunlight and heat to form ground level ozone, a respiratory irritant that is the primary component of smog. The transportation sector is also the largest single source of greenhouse gas emissions in the state. The federal fuel economy standards will significantly improve air quality in New Hampshire and around the country, will reduce greenhouse gas emissions, and will save consumers money through lower fuel bills. This is good news. However, as a result, revenue to both the New Hampshire and the federal highway funds on a "per mile traveled" basis will decline over time. Federal fuel economy standards, long in existence for light duty cars, also now apply to medium and heavy duty vehicles¹.

All vehicles traveling on the roadways contribute to the wear and tear of our transportation network. The State's mechanism for equitable accounting of and payment for a vehicle's impact on the roads should not create a disincentive for the adoption of cleaner, more efficient vehicles, but fairly assess a fee for the use of our transportation infrastructure.

Thank you again for the opportunity to comment on HB 267. If you have any questions or require further information, please contact either Craig A. Wright, Director, Air Resources Division (271-1088, craig.wright@des.nh.gov or Rebecca Ohler, Administrator, Technical Services Bureau (271-6749, rebecca.ohler@des.nh.gov).

Sincerely,



Clark B. Freise
Assistant Commissioner

cc: HB 621 sponsors: Rep. Major, Ohm, Almy, Henle, J. Graham, Senator Watters

¹ <http://www.epa.gov/otaq/climate/documents/420f11031.pdf> - starting with model year 2014, fuel economy and greenhouse gas emission standards apply to combination tractors; heavy-duty pickup trucks and vans; and vocational vehicles.